

# **Maryland Implementation of Health Care Reform**

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## **Mental Hygiene Administration Conference**

**May 2, 2012**

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**Governor's Office of Health Care Reform  
Carolyn Quattrochi, Executive Director**



# Overarching Goal of Health Care Reform



**BETTER HEALTH**

**Physical  
Health & Wellness**

**Nutrition  
&  
Exercise**

**Infectious  
Diseases**



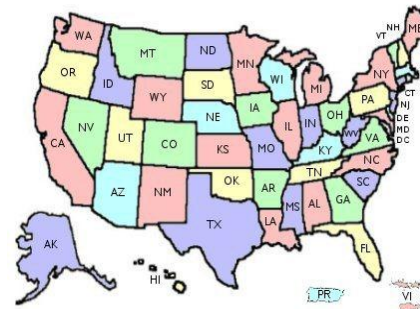
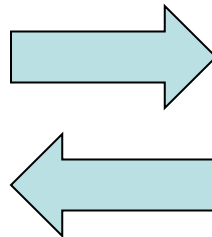
# Overarching Approach of Health Care Reform

HEALTH



**COLLABORATION**

**Federal and State Government**



# State Agencies, Local Jurisdictions and Private Sector







# BEHAVIORAL HEALTH INTEGRATION





Essential Benefits	
Per package	Individual plans
Amount	
HHS Approved	% Package Requirement
Amblulatory patient services	10 %
Emergency services	10 %
Hospitalization	10 %
Maternity and newborn care	

# HOW DOES THE AFFORDABLE CARE ACT ADVANCE BEHAVIORAL HEALTH?



# Four Pillars of ACA



Stronger Insurance  
Coverage

Expanded Access to  
Health Care

More Affordable  
Insurance Coverage

Cost Control and  
Quality Improvement



# Pillar I: Stronger Insurance Coverage



- **Young adults** can stay on parents' insurance plan until age 26; **50,000 in MD; 2.5 million nationwide**.
- No **children** denied coverage because of pre-existing condition.
- No **lifetime limits** on benefits and harder to rescind policies when people get sick; **2 million Americans already benefitting**.
- Small business **tax credits**: **66,000** eligible in Maryland.
- **Preventive services** like mammograms and flu shots; **over half million Marylanders have received at no cost**.
- In **2014**, no exclusions for **pre-existing conditions** or **annual limits** on benefits





# Federal High Risk Pool



## MHIP FEDERAL

- Launched Sept. 2010 with \$85 million in federal funds
- MD enrollment projections up to 3,500 through 2014
- Program covering **50,000 nationwide**
- Many enrollees under treatment for serious illness, e.g. cancer and organ transplants.



# Closing the Donut Hole

## Prescription Drug Savings to Maryland Seniors

**2010**

**32,172** Maryland seniors  
received **\$250** rebate.

**2011-2020**

Drug discounts projected  
to save Marylanders **\$400**  
**million.**



**2010-2012**

Overall savings to date:  
**\$44 million.**

➤ **Seniors' prescription drug treatment for  
behavioral health disorders more affordable**



## **Pillar II**

### **Expanded Access to Care**



#### **Medicaid Expansion Projections**

2014: **84,000**  
2015: **188,000**  
2020: **239,000**

#### **Health Benefit Exchange Projections**

2014: **180,000**  
2015: **365,000**  
2020: **385,000**

➤ **More people will have coverage  
for behavioral health services**

## **Pillar III**

### **More Affordable Coverage: Support for Maryland Families and Employers**



#### **Medicaid Expansion:**

2014-16: 100% federally  
funded

2017-20: tapers to 90%

#### **Federal Subsidies for low-income Marylanders (up to 400% FPL)**

2014: 63,000 eligible; \$429 M

2015: 128,000 eligible; \$900 M

2020: 137,000 eligible; \$1,177 M

#### **Small Business Tax**

**Credits:** 35% of premium  
(2010) and 50% (2014)

➤ **More low-income Marylanders  
will be able to afford coverage for  
behavioral health services**





## **PILLAR IV**

### **Cost Control and Quality Improvement: Save Money While Making People Healthier**



**Keeping people healthy:**  
Investments in wellness and  
prevention

**Higher quality and more efficient  
care delivery models:** Pilots and  
demonstration projects with leadership  
from doctors and hospitals

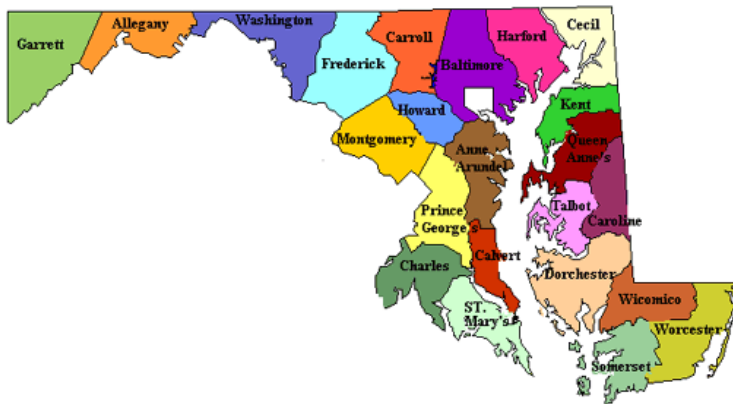
**Health Information Technology:** Support ongoing  
efforts to develop Health Information Exchange and  
meaningful use of Electronic Medical Records

➤ **Better screening,  
care coordination,  
and higher  
quality/lower cost  
delivery models will  
enhance behavioral  
health**





# HOW ARE WE BRINGING THESE BENEFITS OF HEALTH REFORM TO MARYLAND?



# Health Care Reform Coordinating Council

## Established by Executive Order, March 2010



*The State of Maryland*  
Executive Department

EXECUTIVE ORDER  
01.01.2011.10

Maryland Implementation of Federal Health Care Reform  
(Rescinds Executive Order 01.01.2010.07)

WHEREAS, The Maryland Health Care Reform Coordinating Council (HCRCC) was established on March 24, 2010, under Executive Order 01.01.2010.07 to provide a comprehensive evaluation of the federal Health Care Reform legislation, to develop a blueprint for the State's implementation of the Affordable Care Act, and to identify critical decision points that must be considered;

WHEREAS, In its final report delivered on January 1, 2011, the HCRCC set forth this blueprint, which included 16 short- and long-term recommendations on how the State can implement federal reform most effectively;

WHEREAS, Recognizing that effective implementation will require continued leadership, oversight, and coordination, the HCRCC included in its recommendations the establishment of a Governor's Office of Health Care Reform; and

WHEREAS, The HCRCC recommended further that its membership be expanded to include two additional legislative members, the Chair of the new Health Benefit Exchange, and the Secretary of the Department of Labor, Licensing and Regulation because of the valuable insight these representatives will be able to provide regarding implementation of key provisions of the Affordable Care Act.

NOW, THEREFORE, I, MARTIN O'MALLEY, GOVERNOR OF THE STATE OF MARYLAND, BY VIRTUE OF THE AUTHORITY VESTED IN ME BY THE CONSTITUTION AND THE LAWS OF MARYLAND, HEREBY RESCIND EXECUTIVE ORDER 01.01.2010.07 AND PROCLAIM THE FOLLOWING EXECUTIVE ORDER, EFFECTIVE IMMEDIATELY:

A. Established. There is a Governor's Office of Health Care Reform (Office). The Office shall

### 01.01.2010.07 - Health Care Reform Coordinating Council

- ✓ Composed of executive and legislative branch leaders in health care
- ✓ Directed to examine the Affordable Care Act and make recommendations to the Governor and General Assembly as to how the State should implement federal health care reform in ways that would work best for Maryland.



# HCRCC Report:

## 16 Recommendations in 5 Categories



➤ **Health Benefit Exchange and Insurance Market**



➤ **Health Care Delivery and Payment Reform**



**Public Health**  
Prevent. Promote. Protect.

➤ **Public Health, Safety Net, and Special Populations**

➤ **Workforce Development**

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**twitter**



➤ **Communications/Outreach and Leadership/Oversight**





# Leadership/Oversight



## Recommendation

#16 Continued leadership and oversight of health care reform

## Progress

- ✓ Health Care Reform Coordinating Council extension and expansion
- ✓ Governor's Office of Health Care Reform





# Health Benefit Exchange and Insurance Market

## Recommendations

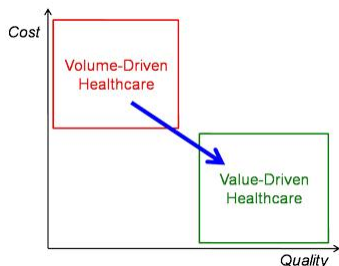
- #1 Establish Exchange.
- #2 Develop seamless entry into coverage.
- #15 Preserve Maryland's strong base of employer-sponsored insurance.

## Progress

- ✓ Health Benefit Exchange Act of 2011
- ✓ Innovator and Establishment grant awards - \$34.4 million total
- ✓ IT infrastructure – contract awarded
- ✓ MIA enhanced rate review policies and \$3.96 million grant
- ✓ Exchange Board's December, 2011 report and recommendations
- ✓ Maryland Health Benefit Exchange Act of 2012



# Health Care Delivery and Payment Reform



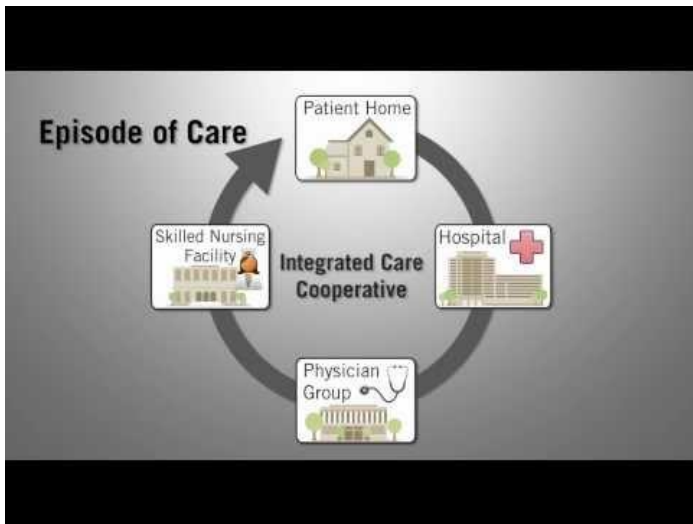
## Recommendations

- #12 Enhance quality and reduce costs through payment reform and delivery innovations.**
- #13 Improve access to primary care.**
- #14 Reduce and eliminate health disparities through financial, performance-based incentives and other strategies.**

## Progress

- ✓ Carrier reporting of race, ethnicity and language data
- ✓ HCRCC's new Health Care Delivery and Payment Reform Subcommittee and Website, [www.dhmfh.maryland.gov/innovations](http://www.dhmfh.maryland.gov/innovations)
- ✓ Maryland Patient Centered Medical Home Pilot
- ✓ HSCRC Total Patient Revenue, Quality-based Reimbursement Initiative, and Hospital Acquired Conditions Initiatives





# Health Care Delivery and Payment Reform



## Further Progress

- ✓ Health Quality and Cost Council Health Disparities Workgroup report
  - ✓ Maryland Health Improvement and Disparities Reduction Act of 2012
- ✓ Long-term care reform:
  - ✓ December workgroup report;
  - ✓ Balancing Incentives Payment Program grant awarded: \$106 million
- ✓ Chronic Health Home model under ACA



# Public Health, Safety Net, and Special Populations

## Recommendations

- #4 Develop state and local strategic plans for improved health outcomes.
- #5 Encourage active participation of safety net providers in health reform and new insurance options.
- #6 **Improve coordination of behavioral health and somatic services.**
- #7 Promote access to quality care for special populations.

## Progress

- ✓ State Health Improvement Process
  - Community Health Resources Commission funding for local health improvement coalitions – **17 grants totaling \$600,000**
- ✓ Expanded health officers' authority to contract for health care services
- ✓ CHRC plan for technical assistance for safety net providers
- ✓ ACA Community Transformation grant for chronic disease prevention;
  - MOU to establish Institute for a Healthiest Maryland

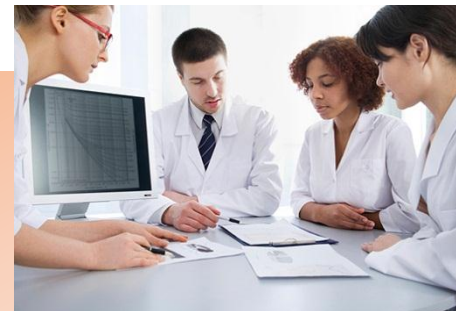




# Workforce Development

## Recommendations

- #8 Institute comprehensive workforce development planning.**
- #9 Promote and support education and training to expand Maryland's health care workforce pipeline.**
- #10 Explore improvements in professional licensing and administrative policies and processes.**
- #11 Explore changes in Maryland's health care workforce liability policies.**



## Progress

- ✓ Governor's Workforce Investment Board's release of blueprint "Preparing for Health Reform: Health Reform 2020"
- ✓ Governor's Office of Health Care Reform coordinating with GWIB, MHCC, and DHMH to plan for blueprint implementation



# Workforce Development

## Upcoming Activities

- ❑ **Health Empowerment Zones** – Maryland Health Improvement and Disparities Reduction Act of 2012 includes incentives for primary care providers for practicing in underserved areas (e.g., loan assistance and tax credits).
- ❑ **Workforce Advisory Committee** – GOHR will convene a group of educators, practitioners, and other stakeholders to recommend short and long-term workforce development initiatives, including:
  - ❖ **Training opportunities** to align training with emerging care delivery models.
  - ❖ **Workforce data** – comprehensive workforce data collection, analysis, and reporting.
  - ❖ **Licensing and credentialing** – identify opportunities to streamline, reduce barriers, and make more efficient



# COMMUNICATIONS/OUTREACH



## Recommendation

#3 Develop centralized education and outreach strategy.

## Progress

- GOHR collaboration with Robert Wood Johnson Foundation's communications experts to develop strategic plan and revamp website
- Launch of new consumer-centric website in March, 2012
- Communications and Outreach Public/Private Advisory Committee established in January, 2012
- Ongoing development of strategic plan and coordination with Exchange







# Health Care Reform



Keep Me Informed

[Health Care Reform & Me](#) :: [What is Health Care Reform?](#) :: [Maryland Moving Forward](#)

## What does health care reform mean for me?

**Lots of Marylanders are asking this question.** That's why we created this site to give you answers about how health care reform impacts you. To learn more, please select one of the options below. Be sure to visit often as we continue working to improve health care for all Marylanders.

Sincerely,

Lt. Governor Anthony G. Brown  
Co-Chair, Maryland Health Care Reform Coordinating Council

Governor Martin O'Malley  
Lt. Governor Anthony G. Brown



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# AFFORDABLE CARE ACT FUNDS AWARDED MARYLAND

## **TOTAL**

**\$274.6 MILLION**

Exchange grant funding:

**\$34.4 million**

MHIP Federal:

**\$85 million**

Balancing Incentives Payment Program

**\$106 M over 3.5 years**

Grants to other gov't. agencies,  
non-profits, *etc.*

**\$49.2 million**

- **BEHAVIORAL HEALTH:** **\$16 million for public health**, including improving access to behavioral health services
  - **\$3.6 million clinical prevention** funding, including
    - helping communities integrate primary care services into community mental health;
    - increasing suicide prevention; and
    - Increasing substance use disorder screening
- **COMMUNITY HEALTH CENTERS:** **\$14.9 million awarded yesterday**



# MARYLAND HEALTH BENEFIT EXCHANGE

## ACT OF 2012:

### COMPONENTS WITH SPECIAL RELEVANCE TO BEHAVIORAL HEALTH

- **Operating Model - Exchange has authority to:**
  - establish standards for plans, e.g. requirement to demonstrate compliance with the Mental Health Parity and Addiction Equity Act; continuity of care
  - Employ active purchasing to promote key objectives like affordability, value-based insurance design, enhanced prevention/screenings, *etc.*
- **Outreach and Consumer Assistance – “Navigator” Programs**
  - required to employ community-based organizations with expertise in reaching vulnerable, diverse and special populations, persons with disabilities, and other hard-to-reach populations
- **Essential Health Benefits**

# ESSENTIAL HEALTH BENEFITS

HHS December 16, 2011 Bulletin

- Benchmark approach allowing states to choose from among 10 eligible plans;
- Applicable to small group and individual markets inside and outside Exchange;
- State must either designate benchmark by September 30, 2012 or default to State's largest small group plan;
- Benchmark will remain in effect for 2014-2015



# BENCHMARK OPTIONS

By enrollment as of 1<sup>st</sup> quarter 2012, any of 3 largest:

- State employee health plans
- National federal employee plans

By enrollment as of 1<sup>st</sup> quarter 2012, the largest:

- Plan in any of 3 largest small group products
- Insured commercial non-Medicaid HMO





# BENCHMARK PLAN REQUIREMENTS

Must  
cover 10  
categories  
of ACA-  
mandated  
essential  
health  
benefits

- Ambulatory patient services;
- Emergency services;
- Hospitalization;
- Maternity and newborn care;
- **Mental health and substance use disorder services;**
- Prescription drugs;
- Rehabilitative and habilitative services;
- Laboratory services;
- Preventive and wellness services and chronic disease management; and
- Pediatric services, including oral and vision care

# GUIDELINES

**Flexibility:** Plans can modify coverage within benefit category if actuarial value remains constant.

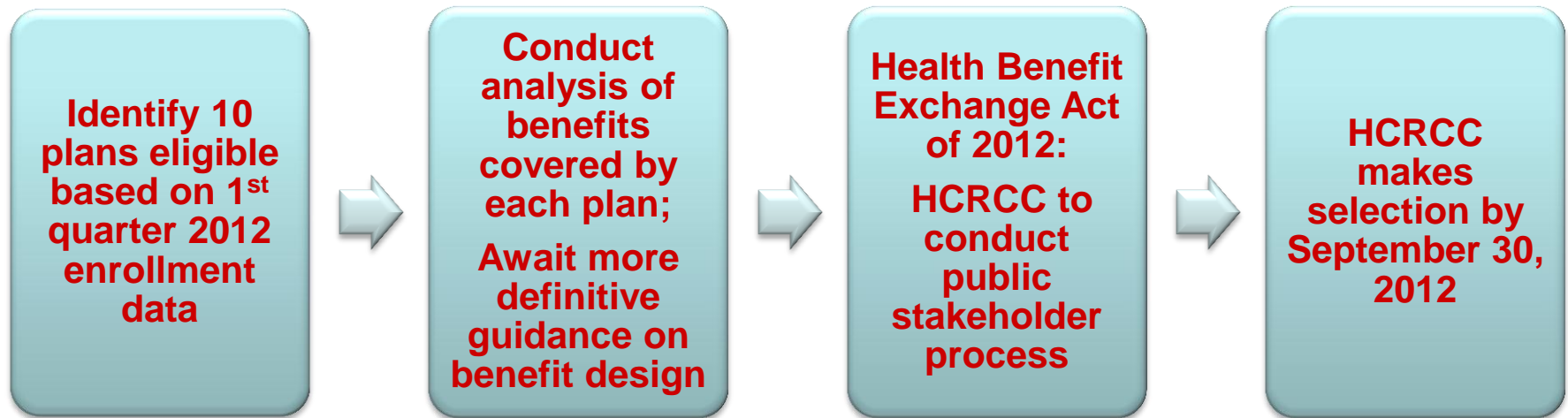
**State mandates:** May be included in essential health benefits if part of benchmark plan.

**Supplement for ACA compliance:** If benchmark does not cover all 10 categories, State required to supplement from other benchmark-eligible plans.

**Future modification:** Federal government will update benchmark approach after two years, potentially to exclude mandates and reflect most up-to-date medical and market practices.



# SELECTING MARYLAND'S BENCHMARK PLAN



# Better Health Through Collaboration

**Through collaborative implementation, Maryland seeks to realize the promise of reform to shape a healthier Maryland for the next generation.**

